



Altech Chemicals
Limited

ASX ANNOUNCEMENT AND MEDIA RELEASE

8 May 2017

ALTECH – SHARE PURCHASE PLAN

Highlights

- Share Purchase Plan (SPP) offered to eligible shareholders
- Follows a \$2 million share placement to cornerstone shareholder MAA Group Berhad
- SPP offer priced at a 5% discount to the 5 day VWAP
- Funds applied to detailed design and engineering work

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) (FRA: A3Y) is pleased to advise that following the recently announced \$2 million share placement to existing cornerstone investor MAA Group Berhad (MAAG), the Company is now offering a Share Purchase Plan (SPP).

The SPP will enable existing eligible shareholders to purchase Altech shares at a 5% discount to the volume-weighted average price of its shares as traded on the Australian Securities Exchange over the 5 days up to, and including, the day on which the SPP offer closes. Altech will announce the final issue price for the SPP shares after the offer closes.

Existing eligible shareholders of Altech will have the opportunity to subscribe to a maximum of \$15,000 of new shares and a minimum amount of \$1,000 of new shares, via the SPP.

Funds raised from the SPP will be applied to the completion of the detailed design and engineering work for the Company's proposed Malaysian high purity alumina (HPA) plant and for corporate and general working capital purposes.

Under the SPP rules, existing shareholders who are recorded on the share register at 5 May 2017 (record date) with a registered address in Australia or New Zealand will be eligible to participate. Each eligible shareholder will be entitled to apply for up to \$15,000 of new fully paid ordinary shares of the Company without incurring any brokerage or other transaction costs. All new shares issued under the SPP will rank equally with existing ordinary shares of the Company.

The closing date for participation in the SPP will be Wednesday 31 May 2017.

Full details of the SPP will be announced later this afternoon and individual letters including acceptance forms will be mailed to all eligible shareholders.

- Ends -

For more information, please contact:

Corporate

Iggy Tan
Managing Director
Altech Chemicals Limited
Tel: +61 8 6168 1555
Email: info@altechchemicals.com

Shane Volk
Company Secretary
Altech Chemicals Limited
Tel: +61 8 6168 1555
Email: info@altechchemicals.com

Investor Relations (Europe)

Kai Hoffmann
Soar Financial Partners
Tel: +49 69 175 548320
Email: hoffmann@soarfinancial.com
Wir sprechen Deutsch.

About Altech Chemicals (ASX:ATC) (FRA:A3Y)

Altech Chemicals Limited (Altech/the Company) is aiming to become one of the **world's leading suppliers of 99.99% (4N) high purity alumina (HPA)** (Al_2O_3).

HPA is a high-value, high margin and highly demanded product as it is the critical ingredient required for the production of synthetic sapphire. Synthetic sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant sapphire glass used for wristwatch faces, optical windows and smartphone components. There is no substitute for HPA in the manufacture of synthetic sapphire.

Global HPA demand is approximately 25,315tpa (2016) and demand is growing at a compound annual growth rate (CAGR) of 16.7% (2016-2024), primarily driven by the growth in worldwide adoption of LEDs. As an energy efficient, longer lasting and lower operating cost form of lighting, LED lighting is replacing the traditional incandescent bulbs.

Current HPA producers use expensive and highly processed feedstock materials such as aluminium metal to produce HPA. Altech has completed a Bankable Feasibility Study (BFS) for the construction and operation of a 4,000tpa HPA plant at the Tanjung Langsat Industrial Complex, Johor, Malaysia. The plant will produce HPA directly from kaolin clay, which will be sourced from the Company's 100%-owned kaolin deposit at Meckering, Western Australia. Altech's production process will employ conventional "off-the-shelf" plant and equipment to extract HPA using a hydrochloric (HCl) acid-based process. Production costs are anticipated to be considerably lower than established HPA producers.

The Company is currently in the process of securing project financing with the aim of commencing project development in Q4, 2017.



Forward-looking Statements

The Company reports that the German government export credit finance (ECA) application process is set for mid-2017 and that there is no certainty that the export credit and debt finance will be approved. The Company makes no representations or warranties whatsoever as to the outcome of the ECA approval process. In addition, the Company to date has not been provided with any estimates of the capital costs of the project from EPC contractor, M+W Group. M+W Group is currently in the detailed design phase and has not reached sufficient firm quotations to provide any estimates. The Company expects a final EPC fixed price from M+W Group around mid-2017.

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.